

CITY OF RIVERSIDE  
BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities  
Date of Meeting: August 19, 2005  
Time of Meeting: 8:15 a.m. (began at 8:17 a.m.)  
Place of Meeting: Art Pick Council Chamber, City Hall  
3900 Main Street (at Tenth & Main Streets)  
Riverside, California

**PLEDGE OF ALLEGIANCE TO THE FLAG**

**Roll Call**

Present: Peter Hubbard (Chairman)      Lalit Acharya  
David Barnhart                              Ken Sutter  
Greg Kraft

Absent: Joe Tavaglione (absence due to business)  
Conrad Newberry, Jr., P.E. (absence due to business)  
Bob Stockton (absence due to vacation)  
Jim Anderson (Vice Chair) (absence due to vacation)

**MINUTES**

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on August 5, 2005 was approved as submitted.

Motion – Acharya. Second – Barnhart.

Ayes: Hubbard, Acharya, Barnhart, Sutter, and Kraft.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)  
Conrad Newberry, Jr., P.E. (absence due to business)  
Bob Stockton (absence due to vacation)  
Jim Anderson (Vice Chair) (absence due to vacation)

**CITIZENS PARTICIPATION**

No comments were made.

**COMMITTEE REPORTS**

- (2) ELECTRIC COMMITTEE REPORT

The Board of Public Utilities accepted and filed the August 10, 2005, Electric Committee minutes.

## **CONSENT CALENDAR**

A motion was made to approve the following items on the Consent Calendar with the exception of Item 6, **GRANULAR ACTIVATED CARBON REMOVAL AND REPLACEMENT AWARD OF BID NO. 6302**, which was moved to the Discussion Calendar:

A motion was made to approve the following items on the Consent Calendar.

Motion – Barnhart. Second – Acharya.

Ayes: Hubbard, Acharya, Barnhart, Sutter, and Kraft.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)  
Conrad Newberry, Jr., P.E. (absence due to business)  
Bob Stockton (absence due to vacation)  
Jim Anderson (Vice Chair) (absence due to vacation)

## **ELECTRIC ITEMS**

### **WATER ITEMS**

#### **(3) WATER MAIN REPLACEMENT WORK ORDER 704254**

The Board of Public Utilities approved the estimated capital expenditure of \$107,530 for the construction of 408 linear feet of eight-inch Ductile Iron Pipe, 132 linear feet of four-inch Ductile Iron Pipe, two fire hydrants and replace or reconnect nine services along Palm Terrace Lane from La Sierra Avenue westerly to end of cul-de-sac.

*This work will be performed by City Forces.*

*Funds are budgeted and available and is part of the Public Utilities Board and City Council mandated replacement program.*

#### **(4) AWARD OF BID NO. 6295 – WEED ABATEMENT AT VARIOUS PUBLIC UTILITIES PROPERTIES**

The Board of Public Utilities:

1. Awarded the contract for Bid No. 6295 for weed abatement at various Public Utilities properties to the lowest responsive bidder, John C. Bennyworth doing business as B&B Enterprises of Riverside, California, in the amount of \$33,853.38; and
2. Authorized the execution of the contract documents by the City Manager, or his designee.

#### **(5) CHANGE ORDER TO PURCHASE ORDER NO. 056130 FOR PALMYRITA WELL INSTALLATION – BID NO. DD1441**

The Board of Public Utilities approved the revised capital expenditure of \$51,188.50 for Purchase Order No. 056130, which includes Change Order No. 1 for \$3,256.00.

(6) **MOVED TO THE DISCUSSION CALENDAR**

**OTHER ITEMS**

(7) **UTILITIES SPONSORSHIP AGREEMENT FOR FESTIVAL OF LIGHTS**

The Board of Public Utilities approved Title Sponsorship of the Festival of Lights for a three-year term from 2005-2008 with an annual cash contribution of \$15,000 per year, with additional expenditure of \$10,000 for purchase of holiday light fixtures for the first year of the agreement and an option to purchase the same amount of fixtures in years two and three.

(8) **AMENDMENT NO. 1 TO THE POWER SALE AGREEMENT III AND AMENDMENT NO. 1 TO THE POWER SALE AGREEMENT IV BETWEEN CALIFORNIA DEPARTMENT OF WATER RESOURCES ("CDWR") AND THE CITY OF RIVERSIDE**

The Board of Public Utilities approved and recommended that the City Council approve and authorize the City Manager, or his designee, to execute Amendment No. 1 to the Power Sales Agreement III and Amendment No. 1 to the Power Sale Agreement IV between California Department of Water Resources and the City of Riverside.

(9) **ESTABLISHMENT OF BOARD OF PUBLIC UTILITIES QUORUM REQUIREMENTS**

The Board of Public Utilities established that five Board members shall constitute a quorum for Board meetings and that two Board committee members shall constitute a quorum for Board committee meetings.

**DISCUSSION CALENDAR**

(6) **GRANULAR ACTIVATED CARBON REMOVAL AND REPLACEMENT AWARD OF BID NO. 6302**

Board Member Dave Barnhart requested this item be placed on the discussion calendar for more clarification regarding the procedure of awarding and rejecting contracts. Mr. Barnhart asked, "Since the low bidder is not getting this job would it be necessary that the Board go on record as rejecting all other bids specifically the low bidder on this one." Supervising Eileen Teichert responded that upon review, if the lowest bid is determined "non-responsive" the Board does not need to take formal action.

The Board of Public Utilities:

1. Awarded the contract for Bid No. 6302 for granular activated carbon (GAC) removal and replacement to the lowest responsive bidder, Carbon Activated Corporation, first year costs not-to-exceed \$397,600, estimated based on 28 vessels per-year and \$14,200 per vessel. The contract is for a three-year period, subject to future budget appropriations; and
2. Authorized the City Manager, or his designee, to execute the necessary contract documents.

Motion – Barnhart. Second – Acharya.

Ayes: Hubbard, Acharya, Barnhart, Sutter, and Kraft.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)  
Conrad Newberry, Jr., P.E. (absence due to business)  
Bob Stockton (absence due to vacation)  
Jim Anderson (Vice Chair) (absence due to vacation)

(10) TREE POWER PRESENTATION

Programs and Services Representative Rebeccah Goldware gave a presentation on the Tree Power Program and the free tree coupon campaign. Ms. Goldware reported that 36,000 trees have been planted since 1999, which will save 6,300,000 kWh of electricity annually once the trees mature.

The Board of Public Utilities received and filed this presentation:

(11) APPROVE ISSUANCE OF UP TO \$130 MILLION ELECTRIC AND \$65 MILLION WATER 2005 REVENUE AND REFUNDING BONDS TO FINANCE THE CAPITAL IMPROVEMENT PROGRAMS FOR THE ELECTRIC AND WATER UTILITIES AND REFUND CERTAIN EXISTING ELECTRIC AND WATER BONDS; APPROVE ENTRY INTO INTEREST RATE SWAP AGREEMENTS TO FIX THE INTEREST RATES ON THE UP TO \$130 MILLION ELECTRIC AND \$65 MILLION WATER 2005 REVENUE AND REFUNDING BONDS, AND ON \$82.5 MILLION 2004 VARIABLE RATE ELECTRIC BONDS; AND APPROVE CERTAIN AMENDMENTS TO THE MASTER RESOLUTIONS AND REPEAL OF OTHER RESOLUTION PROVISIONS

Assistant Director Finance/Marketing Jerry Rogers reported that authorization is requested to issue Electric and Water Revenue Bonds to finance capital improvement programs for the Electric and Water Utilities; to issue Electric and Water Refunding Bonds; to enter into interest rate swap agreements to fix the interest rates for those Revenue and Refunding Bonds and existing 2004 Electric variable rate bonds, and amend and supplement the master and related resolutions.

Mr. Rogers reported that the bond financing for capital projects is needed in the Electric and Water Funds. He stressed the timing of Riverside's bond issue is critical, as long-term tax-exempt bond interest rates are at near historic lows and it is anticipated that the Federal Reserve will continue to push rates higher in the near term. He gave a brief summary on the following five components to the transaction:

1. Electric Revenue Bonds
2. Water Revenue Bonds
3. Electric and Water Refunding Bonds
4. Financing Structure

The Board of Public Utilities approved and recommended that the City Council:

1. Adopt the Eighth Supplemental Resolution to the Electric Utility Master Resolution: (a) authorizing the issuance of up to \$65 million in electric utility revenue and refunding bonds (2005 Series A); (b) authorizing the execution and delivery of an interest rate swap agreement fixing the interest rates of these 2005 Series A Electric Bonds; (c) approving certain amendments to the Master Resolution and approving an amended and restated Master Resolution; and (d) repealing Resolution No. 18215 and Section 4.01 of Resolution No. 19262;
2. Adopt the Ninth Supplemental Resolution to the Electric Utility Master Resolution: (a) authorizing the issuance of up to \$65 million in electric utility revenue and refunding bonds (2005 Series B); and (b) authorizing the execution and delivery of an interest rate swap agreement fixing the interest rates of these 2005 Series B Electric Bonds;
3. Adopt a resolution authorizing the execution and delivery of an interest rate swap agreement(s) fixing the interest rates of the outstanding 2004 Series B Electric variable rate Bonds;
4. Adopt the Fourth Supplemental Resolution to the Water Utility Master Resolution: (a) authorizing the issuance of up to \$65 million in water utility revenue and refunding bonds; and (b) authorizing the execution and delivery of an interest rate swap agreement fixing the interest rate of these 2005 Water Bonds; and
5. Approve the additional budget appropriations as necessary based upon the difference between the amounts estimated in the fiscal years 2005/06 and 2006/07 budgets, and the final terms to be determined at pricing of the bonds and execution of the swap agreements.

Motion – Barnhart. Second – Acharya.

Ayes: Hubbard, Acharya, Barnhart, Sutter, and Kraft.

Noes: None

Abstain: None

Absent: Joe Tavaglione (absence due to business)  
Conrad Newberry, Jr., P.E. (absence due to business)  
Bob Stockton (absence due to vacation)  
Jim Anderson (Vice Chair) (absence due to vacation)

(12) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY MEMBERS OF THE BOARD OF PUBLIC UTILITIES

None.



## **DIRECTOR'S REPORT**

Director Dave Wright reported that the Strategic Planning Workshop, with facilitator Marilyn Snider, has been scheduled for November 18, 2005 and that staff will have a workshop with Ms. Snider the day before, November 17, 2005, to gather more details for the Board.

Deputy Director Steve Badgett reported to the Board in more detail the Electric Committee agenda Item #5, **XONON UPDATE**. Mr. Badgett advised that General Electric notified the California Energy Commission Department (CEC) on August 3, 2005 that they were not going to proceed with Xonon testing and that they would be issuing a final report in the near future.

- (A) Resources Update  
*This item was not discussed because of an oversight but will be placed on the next Board agenda.*
- (B) Monthly Update of Goals
- (C) Open and Closed Work Orders – July 2005
- (D) Monthly Benchmark Report Cards – July 2005
- (E) Water Highlights – July 2005
- (F) Rolling Calendar Outlining Future Utility Projects as of August 12, 2005
- (G) City Council Agenda – August 9, 2005

## **SYSTEMATIC REPORTING ON CONFERENCES / SEMINARS / BOARD MEETINGS**

### **UPCOMING MEETING**

Chairman Peter Hubbard adjourned the meeting at 8:45 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, September 2, 2005**, at **8:15** a.m. in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: 

David H. Wright, Secretary  
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: September 16, 2005